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5/AD 51

16th June, 1959.

COCOM Document No. 2869.97

COORDINATING COMMITTEERECORD OF DISCUSSIONCNREVIEW OF THE STRATEGIC EXPORT CONTROLS - EXCEPTIONS PROCEDURES

12th June, 1959.

Present: Belgium(Luxembourg), Canada, France, Germany, Italy, Japan, Netherlands, United Kingdom, United States.

References: COCOM 471(Revised), 1473, 2275, 2631, 2824, 2869.5, 2869.13, 2869.55, 2869.62, 2869.75, 2869.77, 2869.79, 2869.81, 2869.83, 2869.86, 2869.88, 2869.89, 2869.92, 2869.93, 2869.94, 2869.95, 2869.96, Secretariat Paper No. 104.

1. The CHAIRMAN recalled that at the previous meeting (COCOM 2869.96) the Committee had discussed the United States proposal (COCOM 2869.91) concerning eleven items to be excluded from the \$150 cut-off list. He invited Delegates to give the further views of their authorities.
2. The UNITED STATES Delegate said that having considered the views of various Delegations they were willing to modify their proposal and to withdraw Items 1558 - electron tubes, 1702 - synthetic hydraulic fluids and 1793 - petroleum based hydraulic fluids. This would leave eight items to be excluded from the \$150 cut-off and the Delegate pointed out that this was a great reduction on the number currently excluded.
3. The JAPANESE Delegate said that his authorities were not convinced of the necessity for treating some List I items differently from others. He undertook to report back to his authorities the modifications which had just been announced.
4. The GERMAN Delegate said that he had been instructed to support the proposal that the \$150 cut-off should apply to the whole of List I. This would make for easier administration and only very small quantities could be exported under this cut-off. His authorities did not concur fully with the views of the United States on the electronic items as far as technical know-how was concerned since they considered that the production techniques were more important than technical know-how, at least for producing items costing less than \$150. He appreciated the spirit of compromise shown in the new United States proposal and undertook to report it back to his authorities.
5. The FRENCH Delegate said that he had already stated that the views of his authorities on a special list were unfavourable. He undertook to report back the latest modifications but pointed out that Items 1555 and 1559 also covered equipment which cost much more than \$150.
6. The ITALIAN Delegate recalled that he had previously supported the view that there should be no special list. He thought that his authorities would not be in principle in favour of the United States proposal but the latest modifications showed a willingness to reach a compromise and he undertook to refer them back to his authorities.
7. The UNITED STATES Delegate pointed out that the withdrawal of three items did not reflect a change in his authorities' technical evaluations.

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Commenting on the French Delegate's observations he said that as far as Item 1555 was concerned image converters could be bought for less than \$50 and hydrogen thyratrons (Item 1559) could be bought for 45 cents. (See COCOM 2869.91).

8. The FRENCH Delegate replied that he presumed that different types of equipment were concerned. He stated that if thyratron tubes (Item 1559) were, as stated in COCOM 2869.91, used primarily for military purposes and had been developed for military rather than civilian radar, his authorities would have no objection to the transfer of this item to the Munitions List.

9. The UNITED KINGDOM Delegate pointed out that the three items withdrawn by the United States had been on the former \$100 cut-off list for some years. His authorities had hoped that the United States would have been able to go further towards meeting the views of the other Members of the Committee.

10. The NETHERLANDS Delegate said that he had received no instructions to change his position, but he would report the United States modifications back to his authorities.

#### Customs processing.

11. The UNITED STATES Delegate recalled that his authorities' proposals concerning customs processing were to be found in paragraph III 5 of Annex D to COCOM 2869.5 amended by paragraph 4(b) of COCOM 2869.62. These proposals aimed primarily at reorganising the existing procedure for customs processing (COCOM 2275).

12. The GERMAN and UNITED KINGDOM Delegates said that their authorities felt that no change was necessary in the customs processing procedure apart from the deletion of references to List II.

13. The UNITED STATES Delegate, after further discussion, undertook to prepare a working paper outlining his authorities' proposals for the revision of the customs processing procedure.

#### Exceptions procedure for Poland.

14. The UNITED KINGDOM Delegate said that his authorities proposed the following wording, which took as a basis the text of Annex A to COCOM 2631:

##### "Exceptions Procedure for the Export of List I Items to Poland"

1. All transactions involving List I items not covered by other recognised exceptions procedures shall be submitted to the Coordinating Committee as exceptions cases prior to licensing. Committee consideration shall be on the basis of the current situation in Poland.

2. All participating countries proposing to export to Poland List I goods shall first obtain assurances that the Polish Government will not transship or re-export these commodities without prior approval of the exporting participating country."

15. The FRENCH and GERMAN Delegates said that their authorities considered that no substantive change was necessary in the present Polish procedure and the text proposed by the United Kingdom seemed reasonable.

16. The UNITED STATES Delegate said that the United Kingdom proposal seemed acceptable as far as it went. He drew the attention of the Committee to the statement made by the United States Delegate on December 6th, 1957

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(COCCM 2824, paragraph 26) that his authorities would like to see included in the record of discussion of the special Polish policy a reiteration of the principle that it should be demonstrated that the export of List I commodities to Poland was reasonable and necessary to the Polish civilian economy. The United States authorities asked that this principle be incorporated in the codification of the Polish policy now being undertaken.

17. The GERMAN, ITALIAN and UNITED KINGDOM Delegates said that while they agreed with the spirit of the United States Delegate's remarks they doubted that their inclusion in the exceptions procedures would be useful.

18. The NETHERLANDS Delegate said that his authorities considered that the Polish procedure should be kept separate from the general exceptions procedures since the attitude of Member Countries towards Poland might change.

Temporary export of List I items for exhibition at fairs.

19. The GERMAN Delegate suggested that the procedure to be followed for the temporary export of List I items for exhibition at fairs in the Soviet Bloc might usefully be included in the comprehensive document on exceptions procedures.

20. The COMMITTEE agreed to continue the discussion on June 18th.

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